



State of Washington
Department of Revenue

Excise Tax Advisory

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FLYING INSTRUCTIONS, AIRPLANE RENTALS, AND USE TAX LIABILITY

Issued July 15, 1966

Is the Use Tax applicable to a taxpayer who purchases airplanes for lease to others and also uses the same planes in giving flying instructions?

Taxpayer was engaged in the business of leasing airplanes to others, giving flying instructions, and occasionally providing air taxi service. The bulk of taxpayer's income was derived from the rental of the airplanes. The taxpayer was thus both a lessor and user of the same tangible personal property.

The Retail Sales Tax applied to the rental of airplanes by taxpayer in his capacity as lessor. The Use Tax was also held applicable to taxpayer for the use of the plane in giving flying lessons and providing pilot services. The measure of the Use Tax was the retail purchase price of the plane. The fact that the taxpayer used the plane as a consumer less than he leased it as a retailer is immaterial as the legislature provided no relief in such a situation.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov